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DEFENSE WORK OF THE DEPARTMENT OF AGRICULTURE

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ORGANIZATION — The Department of Agriculture is so organized that it can meet any demands that may be made upon it for services necessary in the defense program. Present authorizations and the programs carried on under these organizations are broad enough and flexible enough to be used in dealing with any phase of defense involving agriculture or forestry or food and fiber distribution. The personnel is trained to act quickly. Most of the score or more of programs assigned to the Secretary of Agriculture and the Department of Agriculture during the past seven years were set up to deal with emergency situations. In carrying out these mandates of the Congress, the Department and cooperating farmers have perfected an organization which starts in each farming community, forest area, and farm commodity market of the Nation, and is coordinated in Washington by a staff organized to work quickly and effectively at whatever task comes to hand.

The work of the Department of Agriculture is supervised and directed by the Secretary of Agriculture, who is assisted by an Under Secretary and an Assistant Secretary.

The general administrative staff includes the Director of Extension Work, the Director of Research, the Director of Personnel, the Director of Information, the Director of Finance, the Director of Marketing, the Solicitor, the Land Use Coordinator, the Chief of the Office of Plant and Operations, and the Chief of the Civilian Conservation Corps Activities. These men and their staffs help to coordinate the phases of the Department's work indicated by their titles. Some of them also carry on service functions for the operating agencies. These offices and the action agencies are aided in unifying programs by the general planning work of the Bureau of Agricultural Economics. Finally, the Agricultural Program Board, comprised of heads of the action agencies and the appropriate general administrative staff officers, provides a means for constantly adapting programs to meet changing conditions.

The farm and business groups served by the Department also are organized to work hand-in-hand with the various agencies in doing any kind of job that is needed. To bring to a focus the judgment of the farm group, the labor group, and the food distribution and textile manufacturing and distribution agencies on emergency measures that might become necessary in farming and the food and textile industries, the Secretary, with the approval of the President, in September 1939,

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appointed an Agricultural Advisory Council composed of representatives of these groups. The Council meets with the Secretary at intervals and its members are in regular communication with him and the heads of Department agencies.

Immediately upon the appointment of the Advisory Commission to the National Defense Council, the Secretary and the agricultural member of the Commission set up a system for using the machinery of the Department in formulating and effectuating the agricultural phases of the defense program. The Commission was appointed May 29. On May 31 an Assistant to the Secretary was detailed full time to act as coordinator for the Department agencies involved in defense work and liaison between the Defense Commission and the other agencies of Government on defense matters.

This Assistant has created a working group through which the coordinating machinery of the Department -- the general administrative staff, and the Program Board -- are kept continually informed and the operating agencies are given specific assignments for work on defense planning or operations in the agricultural field.

COOPERATION IN DEFENSE PLANNING -- Through this machinery, the resources of the Department of Agriculture have been placed at the disposal of the Advisory Commission to the National Defense Council and of the agencies of Government operating the various phases -- both military and civilian -- of the national defense program. The Secretary's office informs the agricultural member of the Defense Commission concerning data and services the Department can provide to any member of the Commission. The agricultural member in turn puts his fellow members in touch with the Department of Agriculture officers. In this way, the Department is contributing to all phases of defense planning. The program for civilian requirements draws on the Department agencies to formulate and will draw on them to make effective the program for more adequate nutrition for the entire American people in order to heighten the physical efficiency of those who will become defense production workers or members of the armed forces. Information available in the Department, and the suggestions of Department officers are being utilized in planning for accumulation of defense raw materials such as wool; in planning for the disposal of agricultural surpluses not needed here through exchange for strategic and critical raw materials such as rubber and tin; in planning for the selection of the best available sites, all things considered, for the new plants to be constructed to manufacture defense materials; in studying the trends in agricultural and other prices that must be considered in the price stabilization phase of Defense Commission operations. In a score of other lines of defense planning the knowledge available in the Department and the skill of its employees are being used by the Defense Commission. Likewise, the

War, Navy, State, and other departments are drawing on Agriculture's facilities.

As various phases of the defense program get under way, the Department will take part in the operations at the call of the Commission and the agencies. To provide electric power for the new production plants located in rural areas, the Rural Electrification Administration will construct lines where necessary and make available portable generators of its own design for emergency use. Forest Service and Soil Conservation Service technicians and administrators will be drawn on in the conservation phases of the youth training program. The skill of the Farm Security Administration, Forest Service, and the Bureau of Agricultural Chemistry and Engineering research and construction men in designing and building the lowest cost housing will be available for the housing operations at new plants and camps. The knowledge of agricultural and general commodity price influences built up by the Bureau of Agricultural Economics and Agricultural Adjustment Administration economists over a period of 25 years will inform the price stabilization work. The precise information on the soil and forest and water resources of the Nation obtained by the Bureau of Plant Industry, the Soil Conservation Service, and the Forest Service surveys and mapping will be put to intensive use in planning production shifts and conservation measures. The scientists of the Department will stand ready to do the research needed in defense production along any lines — chemical, physical, biological. And the field organization of more than 200,000 farmer committeemen and full-time Federal and State agricultural workers will make it possible to take to every one of the Nation's 6 million farm families within 24 hours whatever program of education is necessary in order to bring about common understanding and unified action for defense by the one-fourth of the Nation's people who live on the land.

AGRICULTURE ALREADY OPERATING FOR DEFENSE — The existence of this flexible organization of operating farmers and Government workers already has made agriculture's major contribution to defense. Because this organization existed and had been at work in a National Farm Program for 7 years, defense will not be bottle-necked by lack of farm production. In the Ever-Normal Granary created under the Agricultural Adjustment Administration phase of the National Farm Program are stored ample supplies of wheat and corn and cotton. In the soil is built up reserve fertility, and more is being added year by year through participation of farm families in Agricultural Adjustment Administration, Soil Conservation Service, Farm Security Administration, and Forest Service conservation programs. The skill of the whole farming population was never at a higher pitch. The rehabilitation program of the Farm Security Administration has retrained hundreds of thousands of families into efficient producing units; the Extension program has

built science and engineering into the everyday practice of farming in every county; the Agricultural Adjustment Administration, Farm Security Administration, and Extension have combined in a nutrition and hygiene education and assistance program that has raised the physical health of the whole rural population. Surplus workers, healthy and skillful, are available in the farm population to meet any call for new industrial workers. The Department is working through the Food Stamp Plan and direct surplus distribution to increase the flow of the produced abundance of agriculture to the low-income city families whose energies will provide the extra edge of working man power to speed defense production in the factories.

The defense work of the individual Department agencies is reported below. Only the operating agencies are reported. The work of most staff agencies -- Research, Personnel, Finance, Marketing, Solicitor -- since they coordinate and facilitate the programs of the operating agencies is not reported separately for each staff agency. Extension is reported separately, since its work in education has a defense bearing even apart from the work of the Department's operating agencies.

EXTENSION SERVICE

Principal Officers in Charge

M. L. Wilson, Director of Extension Work; Reuben Brigham, Assistant Director of Extension Work; and Acting in Charge, Division of Extension Information; H. W. Hochbaum, Chief, Division of Field Coordination; J. L. Boatman, Chief, Division of Subject Matter; M. M. Thayer, Chief, Division of Business Administration.

Activities in Relation to National Defense

The Service is an educational service. It cooperates with the State agricultural colleges in the conduct of extension work in agriculture and home economics.

Each county in the United States, Alaska, Hawaii, and Puerto Rico has a resident county extension agent or agents, working directly with the farm people of the county. County extension agents are assisted and directed in their work by a staff of administrative and subject-matter specialists at the State agricultural college and the U. S. Department of Agriculture, cooperating.

The Extension Service contributes to the national defense an educational system reaching 5,481,797 rural men and women and 1,381,595 rural boys and girls. In an emergency it can reach practically every farm family in the country quickly through its trained staff of about 7,000 workers, over 6,000 of them living in the counties.

It contributes a network of volunteer local leaders, men and women residing in practically every community in the United States, trained in organization, acquainted with and respected by their neighbors, and responsive to the public interest. It provides a means for conveying to all rural people with great rapidity important information and directions on matters of significance to the Nation as a whole. It can also obtain quickly from rural people information on local situations and attitudes that may be necessary to the National Government in order to meet effectively situations which might arise.

It contributes the skill, experience, and acquaintance of these 7,000 workers and 600,000 local leaders in bringing about adjustments which might be needed for national defense.

OFFICE OF FOREIGN AGRICULTURAL RELATIONS

Principal Officers in Charge

L. A. Wheeler, Director; Division of Foreign Crops and Markets,
A. W. Palmer; Division of Foreign Agricultural Policy, D. F. Christy;
Section of Information, J. L. Stewart.

Activities in Relation to National Defense

The Office of Foreign Agricultural Relations conducts basic research in respect to international trade in and foreign production of agricultural commodities and gives particular attention to competitive potentialities of foreign production and to actual and potential changes in foreign market demand for those commodities. In this connection the Office maintains close relations with the Department of State in working out special arrangements for disposing of agricultural products in foreign markets, notably the United Kingdom.

In the sphere of hemisphere-defense the significance of agriculture is especially strategic, particularly in respect to any program designed to advance the economic relationships in the Western Hemisphere and to create new bases of economic cooperation among the American Republics. The Office of Foreign Agricultural Relations, therefore, not only gathers and analyzes information on foreign crop production, livestock numbers, food supplies, international trade in farm products, and the national policies of governments as they affect agriculture, but also assists in the program of developing a closer economic union between the republics of the Western Hemisphere, including the establishment of an effective system for marketing the important agricultural surpluses of those republics.

AGRICULTURAL ADJUSTMENT ADMINISTRATION

Principal Officers in Charge

R. M. Evans, Administrator; J. B. Hutson, Assistant Administrator; Wm. E. Byrd, Jr., Executive Assistant to the Administrator; W. G. Finn, Director, East Central Division; H. B. Boyd, Director, Insular Division; H. N. Schooler, Director, North Central Division; A. W. Manchester, Director, Northeast Division; I. W. Duggan, Director, Southern Division; N. E. Dodd, Director, Western Division; W. H. Darrow, Director, Division of Information; Joshua Bernhardt, Chief, Sugar Division.

Activities in Relation to National Defense

The Agricultural Adjustment Administration is helping effectuate national defense, as follows:

1. The Ever-Normal Granary provides for abundant reserve supplies of food and fiber to be carried over from good years for use in lean years and in emergencies. Wheat reserves for crop insurance supplement the Ever-Normal Granary for wheat.
2. The conservation phase of the AAA helps farmers protect their land and keep it productive for the future. Maintaining soil fertility, particularly storing up fertility in acreages formerly in crops having excessive surpluses, is a measure of protection for the entire Nation.
3. The AAA program provides a flexible method of increasing or decreasing production to conform with the country's requirements for consumption and export, plus adequate reserves. This machinery is immediately available in case it is needed to step production above normal reserve supply levels. With modern farm equipment and methods, there can be no question of the Nation's ability to produce what is required.
4. With some 6 million farmers, an overwhelming majority of all the farmers of the Nation, cooperating in the AAA, the effect on national farm economy is wholesome. Agriculture is ready. In every State, county and community are trained AAA committeemen, elected by their neighbors, who understand the administration of the program and who are ready to swing its machinery into whatever action a national emergency might require.

BUREAU OF AGRICULTURAL CHEMISTRY AND ENGINEERING

Principal Officers in Charge

Chief of Bureau, Dr. Henry G. Knight; Associate Chief of Bureau, Dr. W. W. Skinner; Assistant Chief of Bureau, H. T. Herrick; and Assistant Chief of Bureau, S. H. McCrory.

Activities in Relation to National Defense

The Bureau administers the four regional research laboratories authorized by Congress to search for new and wider industrial outlets for farm crops, particularly the surplus crops.

The Bureau is engaged in many lines of investigations concerning the technology, manufacture, utilization, and preservation, including freezing, of agricultural products and byproducts; in the biological, chemical, physical, microscopical, and technological investigation of foods, feeds, drugs, and substances used in the manufacture thereof, including studies of their physiological effects on the human organism; experiments on the utilization of agricultural and other raw materials for industrial purposes; and development of improved processes in the production of rosin and turpentine. The staff stands ready at the call of the Defense Commission or the military establishments to swing into research designed to find in U. S. agricultural products substitutes for strategic and critical defense materials not produced in this country.

The Bureau conducts investigations of farm machinery, farm buildings, rural electrification, and other engineering phases of agriculture. The investigations include mechanical equipment for producing and processing farm products, including seed-bed preparation, planting, cultivating and harvesting, fertilizer placement, hay drying, cotton ginning, fiber flax processing machinery, and control of insect pests; and the planning and construction of farm buildings, including heating, lighting, insulation, sanitation and water supply for farm houses, crop storages and animal shelters, and facilities for the transportation and storage of perishable fruits and vegetables. Service is rendered other bureaus of the Department in the design and construction of structures outside the District of Columbia and the purchase of engineering equipment.

BUREAU OF AGRICULTURAL ECONOMICS

Principal Officer in Charge

H. R. Tolley, Chief.

Activities in Relation to National Defense

The Bureau of Agricultural Economics is working in close cooperation with the National Defense Commission, supplying basic economic material and analyses of domestic and foreign agricultural supply and demand conditions, agricultural surpluses, and prices. Special studies are being made of the effects of the European War upon American agriculture, for use in the formulating of national defense programs and policies, and in planning courses of action after the War.

A Nation-wide agricultural planning program is under way through the creation of State, county and community agricultural planning committees composed of farmers and representatives of State and Federal agricultural and related agencies. Through these committees the desires of farmers in local planning are made known for use in organizing State and Federal agricultural planning programs.

AGRICULTURAL MARKETING SERVICE

Principal Officers in Charge

C. W. Kitchen, Chief; H. E. Reed, Assistant Chief; S. R. Newell, Assistant to the Chief; and F. J. Hughes, Business Manager.

Activities in Relation to National Defense

1. The Collection and Dissemination of Crop and Livestock Products and Related Statistics. -- Through this Service, timely information is provided on the progress of growing crops, and current reports are issued on the acreage, yield, production, farm utilization and sales of more than 100 crops, on numbers of livestock, on milk and egg production and consumption, on prices paid and received by farmers, on wages of farm labor, on the rail, express, boat and motor truck movement of farm commodities, and on the utilization and stocks of all major farm products. The organizational set-up and the nature of the reports issued are essentially the same (except that the service has been expanded materially) as that which functioned during the World War (and during the 1934 and 1936 droughts) to obtain Nation-wide information on available supplies, their location, and other pertinent data. Reports are now issued on nearly all farm commodities; notably lacking, however, is current information on stocks of beans, soybeans, and on canned and dried goods. The existing organization could be readily expanded to obtain these and any additional production and supply data.

2. Nation-Wide Market News Service. -- Day to day reports on supply and demand conditions at important markets the country over are disseminated for more than 100 farm products. The information is obtained at terminal markets, shipping points, and producing sections and is rapidly and widely disseminated to markets throughout the country by means of an extensive leased wire system. The market news is further distributed through trade and farm publications and by commercial and financial institutions, and is regularly broadcast one or more times daily over more than 375 radio stations. This service covers movement, market supplies, quality and prices of livestock, meats, wool, fruits, vegetables, dairy and poultry products, grains, hay, seeds and feedstuffs. The market news service had its beginning 25 years ago during the World War when the need for unbiased market information became most apparent.

3. Grading and Inspection. -- In addition to establishing standards and providing means for their application and interpretation through such statutes as the Cotton Futures Act, the Cotton Standards Act, Grain Standards Act, and the Tobacco Inspection Act, the Department of Agriculture has established standards and conducts an inspection service on a large number of

other farm products such as fresh fruits and vegetables, canned fruits and vegetables, dairy and poultry products, soybeans, dry edible beans, hay, rice, and meats. The inspection services are available in many of the principal producing areas and receiving centers. Market inspection of a number of commodities was inaugurated during the 1914 to 1916 period as a war measure. The service has been greatly expanded since then. Large quantities of farm produce are inspected for public institutions, and for the Army and Navy, as well as for private individuals and industries. More than 61,000,000 pounds of fresh fruits and vegetables were inspected for the Navy and Marine Corps during the past year. This service can be rapidly extended by the addition of trained inspectors.

4. Regulatory Work. -- The specific acts administered by the Service fall into two groups -- regulatory and service. The regulatory acts are designed to prevent violations of the rules of fair play in the merchandising of farm produce. The Perishable Agricultural Commodities Act is intended to suppress unfair and fraudulent practices in the marketing of fresh fruits and vegetables in interstate and foreign commerce. The Packers and Stockyards Act is intended to prohibit unfair practices in the marketing of packing-house products, livestock and live poultry in interstate commerce, and to establish reasonable rates for services rendered. The Federal Seed Act and the Insecticide Act are designed to prohibit fraudulent misbranding of seeds and insecticides shipped interstate. The U. S. Warehouse Act provides for the licensing of warehouses for the storage of farm products, and the supervision of the activities of licensed warehousemen. For more complete regulation or more rigid enforcement of these acts -- which serve to reduce merchandising risks, to lessen the margins between prices received and prices paid, to curb wastes, etc. -- additional personnel and/or amendments to the acts may be necessary.

BUREAU OF ANIMAL INDUSTRY

Principal Officers in Charge

John R. Mohler, Chief of Bureau; A. W. Miller, Assistant Chief of Bureau; J. R. Cohran, Business Manager; Hugh C. McPhee, Chief of the Animal Husbandry Division; Paul E. Howe, Chief of the Animal Nutrition Division; E. C. Joss, Chief of the Meat Inspection Division; S. O. Fladness, Chief of the Field Inspection Division; H. W. Schoening, Chief of the Pathological Division; Benjamin Schwartz, Chief of the Zoological Division; K. F. Warner, Extension Meat Specialist; C. D. Lowe, Extension Animal Husbandman; H. L. Schrader, Extension Poultry Specialist; and D. S. Burch, in charge of the Bureau's information office.

Activities in Relation to National Defense

The Bureau's technical staff includes highly trained veterinarians, animal husbandmen, and other employees whose services are available for special assignments as well as for regular duties. The Bureau is prepared to furnish consultants in drafting suitable programs for adequate supplies of meats, wool, and other animal products needed by military forces and civilians in this country and abroad.

The Federal meat-inspection service is especially well qualified and experienced in large-scale inspection duties, in directing canning and other processing operations, and for insuring the wholesomeness of meat for any desired purpose.

The versatile activities of this Bureau can readily be applied to new duties for strengthening national defense.

COMMODITY CREDIT CORPORATION

Principal Officers in Charge

Carl B. Robbins, President; John D. Goodloe, Vice President.

Activities in Relation to National Defense

The two basic functions of the Commodity Credit Corporation in aiding the National Defense Program will be to supply deficiencies and to absorb surpluses of agricultural commodities. Recently, President Roosevelt directed that all loan programs of the Commodity Credit Corporation be made upon a demand basis because of the importance of these loan programs to the National Defense Program, and of the need of having loan stocks immediately available for meeting the various requirements.

Temporarily, at least, the war in Europe has cut off a large part of the export markets for the products of American agriculture, and exports to other markets have been drastically reduced. The 1940 crops are nearing harvest and the Commodity Credit Corporation, through its loan programs, must assume the major part of the burden in preventing price demoralization and chaotic market conditions when farmers attempt to sell their products in adverse emergency situations.

The second objective of the Commodity Credit Corporation's programs from the standpoint of National Defense must be to have adequate supplies of food, feed, and fiber available when needed. This may require the inauguration of loan or purchase programs having the acquisition of such supplies as a major objective rather than as an incident to loans undertaken to protect agriculture. Adequate supplies of food, feed, and fiber for the domestic requirements of the United States should and can be assured by the loan stocks of the Commodity Credit Corporation, (the Ever-Normal Granary). These loan stocks will also be the principal source of supplies for foreign countries under the defense objective of giving aid short of war. It is becoming increasingly evident that war-torn Europe will not produce sufficient agricultural products to supply its needs next winter. The granting of relief to countries ravaged by war will be so vast a problem that it cannot be handled by private agencies and undoubtedly will be one of the problems considered by the National Defense Council. Moreover, available supplies for meeting the requirements of foreign countries may also constitute a powerful factor which can be used for the advantage of this Government.

The Commodity Credit Corporation inaugurated the program for acquiring domestic reserves of critical and strategic materials by its barter transaction with the British Government under which it exchanged cotton for rubber. Under recent legislation, the Reconstruction Finance Corporation has been authorized to accumulate additional supplies and to exchange supplies of domestic agricultural products for such materials. The availability of loan stocks will obviously facilitate this program.

If the currently discussed inter-American trading cartel is established as a hemispheric defense measure, its work for the Central and South American republics will be paralleled in many respects by the work which the Commodity Credit Corporation performs for the United States.

COMMODITY EXCHANGE ADMINISTRATION

Principal Officers in Charge

J. W. T. Duvel, Chief; J. M. Mehl, Assistant Chief; Walter L. Miller, Assistant to the Chief; Rodger R. Kauffman, Contract Markets and Registrations; Theo. H. Hammatt, Trading Operations; D. B. Bagnell, Investigations; Blair Stewart, Economic Analysis; John J. Bachmann, Audits; Albert A. Strack, Administrative and Fiscal Services.

Activities in Relation to National Defense

This bureau is charged with the enforcement of the Commodity Exchange Act providing for regulation of commodity exchanges and of futures trading and speculation in specified commodities as follows: wheat, cotton, rice, corn, oats, barley, rye, flaxseed, grain sorghums, millfeeds, butter, eggs, potatoes and wool tops. More specifically its activities include:

1. Designation as contract markets of all exchanges which desire to conduct a futures market in any of the above-named commodities;
2. Registration of futures commission merchants and floor brokers;
3. Prevention of
 - (a) manipulation and corners and excessive speculation,
 - (b) dissemination of false and misleading crop and market information,
 - (c) cheating, fraud and deceit in connection with execution of customers' orders,
 - (d) bucketing and fictitious transactions;
4. Segregation and safekeeping of customers' funds by futures commission merchants.

The bureau has access to the books and records of all futures commission merchants and floor brokers dealing in the above-named commodities. It requires daily reports concerning the volume of trading and amount of open contracts in the various futures of each commodity and market, figures on which are released daily. It maintains field offices at the following-named cities: New York, Chicago, New Orleans, Kansas City, Minneapolis, Seattle and San Francisco. A quotations and ticker service covering grains, cotton, butter, eggs, and Dow-Jones news is maintained in the Washington office.

BUREAU OF DAIRY INDUSTRY

Principal Officers in Charge

O. E. Reed, Chief, Ernest Kelly, Assistant Chief; and J. M. Kemper, Assistant to the Chief, In Charge of Administration.

Activities in Relation to National Defense

Of importance in connection with the program for national defense are the Bureau's research in the breeding, feeding, and management of dairy cattle to promote efficiency in the production of milk and to improve its nutritive and sanitary quality. The Bureau cooperates with the State dairy extension services in the establishment of approved dairy practices through the medium of dairy herd-improvement associations. It conducts scientific studies to develop sanitary methods of handling milk on the farm, in transit, and in dairy plants and to promote efficiency in dairy-plant equipment, arrangement, and operation. Also, it studies the bacteriology and chemistry of milk and its products, and problems in manufacture of dairy products and byproducts; and assists in establishing new products and methods in dairy plants.

BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

Principal Officer in Charge

Lee A. Strong, Chief.

Activities in Relation to National Defense

This Bureau is concerned with investigations of insects to determine means for their control, eradication, and the enforcement of measures to prevent their introduction and to prevent the spread of those of limited distribution. The purpose of all these activities is to prevent insect depredation on all food, fiber, timber, and other plants, not only as growing crops but as stored food, clothing, building structures, naval stores, and other articles.

In cooperation with State and local agencies, the Bureau applies measures to control or eradicate insects and plant diseases and administers all Federal quarantines and regulations to protect agriculture from plant pests and diseases.

It is also concerned with investigations and control of insects that transmit diseases, such as yellow fever, malaria, bubonic plague, and typhus fever, and those that physically injure or annoy livestock and man.

All activities concerned with insect control have an intimate relation to national defense. During the World War there was heavy and persistent demand for data and service relating to the control of insects on growing crops, the protection of stored food supplies and clothing and other materials and for means of combating insects affecting the health of man, especially those in service. The additional responsibility placed on the Bureau to control plant diseases affecting basic cereal and timber crops extends the field of its usefulness in national defense.

FARM CREDIT ADMINISTRATION

Principal Officers in Charge

A. G. Black, Governor; Clyde W. Warburton, Deputy Governor; W. H. Droste, Deputy Governor; Robert K. McConnaughey, General Counsel; W. J. Snow, Jr., Director of Finance and Accounts; Edwy B. Reid, Director of Information and Extension; M. J. Fox, Chief Examiner; Roy M. Green, Land Bank Commissioner; George M. Brennan, Intermediate Credit Commissioner; C. R. Arnold, Production Credit Commissioner; S. D. Sanders, Cooperative Bank Commissioner; and C. C. Jacobsen, Director, RAC Division.

Activities in Relation to National Defense

The Farm Credit Administration supervises the activities of 12 district offices in each of which is a Federal land bank, a Federal intermediate credit bank, a bank for cooperatives and a production credit corporation. It also has under its jurisdiction the central bank for cooperatives; 11 regional emergency crop and feed loan offices; the liquidation of the loans made by joint stock land banks, the regional agricultural credit corporations and from the agricultural marketing revolving fund; and supervision of Federal credit unions.

Federal Land banks make long-term, low interest rate amortized loans to persons who give as security first mortgages upon their farms and who agree to repay the loans in annual or semi-annual installments.

Federal intermediate credit banks make loans to and discount paper for production credit associations, the banks for cooperatives, State and national banks, agricultural credit corporations, livestock loan companies and similar financing institutions. They also make loans to cooperative associations of agricultural producers. They are not authorized to make loans directly to individual farmers and stockmen but operate as banks of discount for institutions making such loans for agricultural purposes.

Production credit corporations and associations. The 12 production credit corporations were organized to assist in organizing, capitalizing and supervising production credit associations. The 525 production credit associations provide short-term credit for all types of farm and ranch operation to farmers and stockmen who qualify under the terms and conditions that are made for the safety of the loans and their repayment.

Banks for cooperatives. The central bank for cooperatives and 12 district banks for cooperatives make loans to national, regional and local farmers' cooperative associations.

Emergency crop and feed loans. These loans are made only to applicants who are unable to procure from other sources loans in amounts reasonably adequate to meet their needs.

Federal credit unions, which are cooperative thrift and lending organizations, are chartered and supervised by the Governor of the Farm Credit Administration.

FARM SECURITY ADMINISTRATION

Principal Officers in Charge

C. B. Baldwin, Administrator; George S. Mitchell and R. W. Hudgens, Assistant Administrators.

Activities in Relation to National Defense

Under annual emergency relief appropriations, the FSA has extended financial aid and technical assistance in farm and home management to more than a million needy farm families. The bulk of this aid has been in the form of rehabilitation loans to enable the borrowers to buy the livestock and equipment necessary to make a living from the land. A relatively small part of the relief funds has gone for emergency grants to families in drought and flood areas.

The FSA administers 224 homestead and migrant labor camp projects, involving more than 15,000 families, for the reestablishment of rural and suburban farm families on the land.

The FSA has made, to date, some 12,500 loans to selected tenants for the purchase of and improvement of individual farms.

The chief significance of the Farm Security Administration program in national defense lies in the protection and security it is extending to a great segment of our population. Those it reaches are people who were left economically stranded and in urgent need.

The FSA program has arrested much of the physical deterioration that had made serious inroads among our farm population, and has rebuilt and preserved irreplaceable human resources for the Nation's production and service needs. The percentage of those physically unfit for military service in England in recent months is reported to have been appallingly high, and even in the World War we rejected a large percentage of recruits for physical defects.

The medical program of the FSA -- which is a part of the general rehabilitation program -- has reduced the effects of illness and disease that otherwise would have imposed serious handicaps on our man-power. Decent housing and living conditions have been preventives against malaria, typhoid, and other environmental ills. Adequate diet, achieved through increased production of milk and vegetables for home use, has eliminated many cases of pellagra, rickets, and other nutritional diseases that long have undermined health among low-income rural people.

Even more vital, however, than restoration of physical health has been the building up of morale and the renewal of faith in the American way of life. Prior to the FSA program, many of these people were on the road to embittered idleness and want. Such discontent would provide fertile soil for agitators seeking to destroy and divide American loyalties.

Those who have been aided by FSA, however, have been restored to essential functions in our national life. They have been refitted into American life, have had their abilities and skills preserved and developed, and have been restored to the status of independent, self-supporting, tax-paying producers.

FEDERAL CROP INSURANCE CORPORATION

Principal Officers in Charge

Leroy K. Smith, Manager; Cecil A. Johnson, Secretary and Assistant Manager.

Activities in Relation to National Defense

The Federal Crop Insurance Program can be considered as a part of the national defense program in the following ways:

1. The actuarial data which is used by the Corporation in the conduct of the insurance program provides by individual farms a practical production catalog which in times of emergency enables the Nation to determine where wheat production expansion is feasible, and in other times supplies desirable information for developing sound programs of soil conservation and land use.
2. The operation of the program provides wheat growers with the instrumentality for maintaining more effectively the Nation's bread basket. This is accomplished when wheat growers pay to the Corporation premiums for the accumulation of its wheat reserve which at a later date enable these growers to collect indemnities in years of loss in crop production. The wheat reserves of the Corporation form a part of the Nation's Ever-Normal Granary.
3. The program adds stability to the livelihood of the Nation's army of wheat growers.
4. Crop insurance provides individual farmers with the economic facility to place on a businesslike basis one of the Nation's most hazardous enterprises, namely, the production of wheat.
5. The administrative organization of the Federal Crop Insurance Corporation provides a mechanism which is at all times ready and able to assist in many ways in the handling, storage, and distribution of a part of the Nation's wheat stocks.

FOREST SERVICE

Principal Officers in Charge

Inquiries should be directed to Forest Service, U. S. Department of Agriculture, Washington, D. C.

Activities in Relation to National Defense

The Forest Service administers 160 national forests embodying an area of about 350,000 square miles to make them contribute their utmost to defense as well as to normal needs without destroying the productivity of the resources. It aims to increase and perpetuate the yield of forest and range products, and to protect watersheds so as to reduce soil erosion, floods, impairment of navigability of streams, destruction of river and harbor improvements and other damage.

The Forest Service maintains close relations in forest fire control with 41 States and in various ways with large numbers of private owners of timberland.

It maintains 13 regional Forest and Range Experiment Stations and the Forest Products Laboratory, the findings of which are made available to other public agencies and to private individuals in the interest of making all forest lands, regardless of ownership, more productive and more serviceable.

The Forest Products Laboratory is concerned with investigation of wood and wood products and mechanical, physical and chemical properties and their modification and adaptation to diversified uses. Its field of activities includes strength and structural design; seasoning and moisture control; protection against decay and fire; painting; plywood and gluing; plastics; cellulose, lignin, and other chemical products; and pulp and paper. This research should have special application to the manufacture of aircraft, gun stocks, explosives, gas masks, etc.

The Forest Service has completed a survey of forest resources of one-half of the forest area of the country. It gathers economic information and conducts analyses concerning such points as timber and lumber prices, consumption, lumber distribution, timber evaluation, foreign supplies and markets, imports and exports of forest products as influencing our domestic defense situation.

Within the national forests is an extensive network of transportation routes and communication systems consisting of over 23,500 miles of forest highways, 83,900 miles of truck trails, 137,000 miles of foot and horse trails, 63,000 miles of telephone lines, 3,200 fire lookout stations. The Forest Service also has in operation 3,000 radiophones.

BUREAU OF HOME ECONOMICS

Principal Officers in Charge

Louise Stanley, Chief; Day Monroe, Assistant Chief, Chief of Division of Family Economics; Hazel K. Stiebeling, Chief, Food Economics Section; Lela Booher, Chief, Division of Foods and Nutrition; Ruth O'Brien, Chief, Division of Textiles and Clothing; Ruth Van Deman, Chief, Information Service; Mrs. Lennah C. Zens, Business Manager.

Activities in Relation to National Defense

The normal activities of the Bureau of Home Economics are directed toward objectives that will contribute to national defense as well as improved general welfare.

The studies of the Family Economics Division give information on levels of living of different groups of the population and compare existing consumption with standards of adequacy for food, clothing, and housing as a guide to social and production programs.

Studies in the Food Economics Section indicate large groups of our population have inadequate diets and the need for a policy to safeguard and improve the nutrition of the whole civilian population as well as the defense forces.

The work of the Foods and Nutrition Division is concerned with the best use of food in the feeding of people. This Division is the only agency in the Government that concerns itself solely with normal human nutrition and the contributions of foods thereto. This program includes determination of the kinds and amounts of food constituents required by persons of all ages and activities; the analyses of foods for their nutritive constituents and the development of methods for the preparation and preservation (with special emphasis at present on dehydration) of foods that are best suited to the retention of nutritive properties.

Many of the projects of the Textiles and Clothing Division contribute directly to the defense program. Comfortable and safe designs for clothing for women employed in farm and industrial work are being developed. Information on clothing selection and construction has been furnished the American Red Cross and other relief agencies. Finishing treatments that make cotton fabrics resistant to mildew have been developed and tests have been made for the War Department and the Marine Corps on the effectiveness of various mildewproofing agents on cotton fabrics used for military purposes. A process for sterilizing wool without deteriorating it has been developed, which will be useful for hospital and military use. The serviceability of wool substitutes when introduced in varying proportions with new wool in household blankets is being investigated.

BUREAU OF PLANT INDUSTRY

Principal Officers in Charge

E. C. Auchter, Chief; P. V. Cardon, M. A. McCall, and O. C. Magistad, Assistant Chiefs.

Activities in Relation to National Defense

Functions of the Bureau of Plant Industry include investigations of soils, fertilizers, and plants, principally those of economic importance.

The ultimate objective of these investigations is to assure the Nation of a stable supply of food and fiber and the maintenance of soil resources. For this reason the Bureau of Plant Industry occupies an important place in respect to national defense.

Efficient production of farm crops — important at all times — becomes a matter of paramount national concern in times of stress, such as this country now faces. For the last decade efficient production has meant shifting many acres from surplus crops such as wheat, corn and cotton to soil improvement crops. Efficient methods and crop varieties must play an important part in insuring adequate supplies of staple foods and fiber, and at the same time with the least diversion of man-power from other activities essential to defense. If national welfare called for an increase in these food and fiber crops the accumulated research knowledge at our command would insure tremendous expansion.

In addition to its research on major crops produced in the United States, the Bureau is now giving added attention to certain strategic crops now imported from distant tropical sources, but which might be grown in Central and South America. Some of these plants include those used in the production of rubber, medicines, insecticides, vegetable oils and tannin.

Much of the work of the Bureau is carried on in cooperation with the 48 State Agricultural Experiment Stations. This arrangement provides a network of research agencies covering every section of the country, every important soil type, and every crop grown commercially.

RURAL ELECTRIFICATION ADMINISTRATION

Principal Officers in Charge

Harry Slattery, Administrator; Robert B. Craig, Deputy Administrator; Vincent D. Nicholson, General Counsel; C. A. Winder, Director, Engineering and Operations Division; M. L. Ramsay, Director, Information and Research Division; C. O. Falkenwald, Director, Division of Cooperative Relations; Joseph F. Marion, Director, Finance Division; George D. Munger, Director, Utilization Division; Kendall Foss, Director, Administrative Division.

Activities in Relation to National Defense

REA makes loans, principally to farmers' cooperatives and public power districts, but also to municipalities, private utilities and other agencies, to finance the entire cost of building rural electric distribution systems in areas not receiving service from another source. Loans bear interest at a low rate, and are designed to be self-liquidating over a maximum period of 25 years. In a few instances REA has lent funds for construction of generating plants where reasonable wholesale power could not be purchased. REA also lends funds to its borrowers to enable them to finance wiring and plumbing installations in farms they serve.

To June 30, 1940, REA loans totaled \$270,000,000 to 691 borrowers. An additional \$100,000,000 is available for allotment during fiscal 1941.

During the life of the loans, Rural Electrification Administration offers guidance in sound business management. Through its borrowers, in cooperation with the Extension Service and other agencies, it conducts vigorous educational efforts to teach farmers the profitable uses of electricity in agriculture. It cooperates with manufacturers in developing new electrical equipment for farm use. It develops financial plans designed to aid farmers in acquiring farm equipment that will pay its own way.

In the course of building lines to serve farms, REA borrowers have been able to extend electric service to many other establishments, public and private. These include small industries, schools, churches, hospitals, stores, CCC Camps, airports, airway beacons, mines, quarriers, mills, repair shops, radio stations, Army and Navy posts, U. S. dams and building, lighthouses, irrigation projects, etc. A recent survey showed 3,500 such services, of 113 different types, accounting for about 20 percent of the connected load on the systems by which they are served. REA has created a special unit to study the technical problems of service to such large-power users.

The Rural Electrification Administration, with the more than 600 cooperative and other rural power systems operating under its program in 45 States, is prepared to put important resources squarely behind the national defense program.

One such resource is mobile generating plants, mounted on trailers, which REA has helped to develop and which can be set up almost anywhere on a few hours notice to serve as emergency power sources.

SOIL CONSERVATION SERVICE

Principal Officers in Charge

Hugh H. Bennett, Chief; Dillon S. Myer, Assistant Chief.

Activities in Relation to National Defense

This Service propagates the use of erosion control practices in agriculture through (1) the demonstration of practical, soil-conserving measures in selected watershed areas, (2) supervision of the work programs of Civilian Conservation Corps camps assigned to soil conservation activity, (3) active assistance to soil conservation districts organized under State laws.

Flood Control. -- In cooperation with other Departmental agencies the Service prepares surveys of major watersheds to determine what part upstream land treatment and waterflow retardation can be expected to play in minimizing downstream flood hazards.

Purchase and Development of Submarginal Land. -- In a number of selected areas the Service buys lands that are unsuitable for cultivation and develops them for grazing, forestry, wildlife conservation, or recreational purposes. Grazing lands developed under the program are leased to livestock operators under conservation regulations.

Water Facilities. -- In arid and semiarid areas of the 17 westernmost States, the Service cooperates with other Departmental agencies in a program designed to promote rural welfare by making more water available for livestock and crop production. It is assisting farmers and ranchers (1) to construct or install such water facilities as stock ponds, stock tanks, pumps, or windmills, and (2) to develop conservation plans of farm or range management.

Soil Conservation Research. -- In cooperation with State agricultural experiment stations, the Soil Conservation Service investigates the factors influencing soil erosion and develops suitable measures of control.

Farm Forestry. -- It administers action phases of the Cooperative Farm Forestry Act of 1937, for which an appropriation was made available in 1939 for the first time.

SURPLUS MARKETING ADMINISTRATION

Principal Officers in Charge

Assistant

Milo Perkins, Administrator; E. W. Gaumnitz, Administrator; and Philip F. Maguire, Assistant Administrator.

Activities in Relation to National Defense

The Surplus Marketing Administration directs various marketing agreement and surplus removal programs which are a direct contribution to the building of home defenses.

The marketing agreement programs make it possible for producers, co-operating with each other and with the Government, to secure greater stability in the marketing of their products. This serves as a protection not only for producers, but also for the Nation's consumers. At the end of the 1939-40 fiscal year, more than 40 different marketing agreements were in effect for milk and dairy products and for other farm products such as fruits, vegetables, nuts, and hops. Approximately 1,300,000 producers were affected directly by the operation of these programs.

The domestic surplus removal and distribution programs which are carried out by the Administration serve a dual purpose. They help our farmers by removing part of the agricultural surpluses which depress producer prices. This contributes directly to farm income, and indirectly to the economic welfare of all our people. At the same time, the surplus commodities are made available to millions of our low-income families who otherwise could not get them. This helps build the health defenses of the Nation.

The surplus removal programs include purchases for direct distribution through the States to needy families and for use in school lunch programs, and the new food and cotton stamp plan programs. Last year, an average of 11,000,000 persons received surplus foods each month under the direct distribution program, and nearly 3,000,000 children in 35,000 schools got free school lunches, made up largely of surplus commodities. The Food Stamp Plan program will mean a 50 percent increase in food buying power for some 4,000,000 needy people during the coming year.

These programs, which make it possible for our own people to use farm surpluses, are proving their value in building better standards of living in the United States.

July 1940

